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13 August 1959

Copy No. C 63

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# CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 58  
NO CHANGE IN CLASS. X  
DECLASSIFIED  
CLASS. CHANGED TO: TS S C  
NEXT REVIEW DATE: 2010  
AUTHORITY: 4/19/80  
DATE: 4/19/80 REVIEWER:

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DIA and DOS review(s) completed.

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## DAILY BRIEF

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## II. ASIA-AFRICA

\*Laos: A Chinese Communist Foreign Ministry spokesman on 12 August stated that tension in Laos could be reduced only by the withdrawal of all American personnel and arms, the abolishment of all "US military bases" in Laos, and the return of the International Control Commission. Peiping denied the competence of the United Nations to deal with the situation on the grounds that the UN was not a party to the Geneva agreements. Although Communist propaganda has previously made threatening observations on the Laotian situation, this strong statement takes on additional weight by virtue of its official source.

OK [The Laotian Army's demonstrated weakness during the initial phase of the insurgency in northeastern Laos may have further undermined the government's already tenuous authority in the affected areas. In some instances army units panicked and abandoned the local population with little or no resistance. The Laotian field commander in Sam Neua reportedly has said that he cannot rely completely on the loyalty of his troops.]

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A total of 114 men of a recently integrated Pathet Lao battalion have escaped from their encampment near Luang Prabang and are heading toward Sam Neua Province. This incident highlights the Laotian Army's weakness and, when it becomes known, will further reduce its prestige.)

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Watch Committee conclusion--Laos: [Laotian Government forces apparently control the majority of their outposts in northern Laos. Dissident elements have the capability to renew their attacks and, with North Vietnamese guidance and logistic assistance, to threaten seriously the internal security of the country. A resumption of dissident activity is probable.]

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Cambodia - South Vietnam: [The recent meeting in Saigon between Premier Sihanouk and President Diem has helped ease Cambodian-Vietnamese tensions, but Sihanouk's advocacy of a "safe" policy of neutralism remains a root cause for regional dissension. Rejecting rebuttals from his Vietnamese hosts, Sihanouk is said to have insisted that the USSR has military superiority over the United States, especially in the missile field. Sihanouk implied the predestined ascendancy of Communist China in the Far East, and cited current fighting in Laos as the result of too strong an anti-Communist position.]

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Indonesia: A recent series of feelers from Indonesian Government sources, including one of General Nasution's aides, strongly suggests to the American ambassador that the new cabinet may soon ask the US for expanded military and economic assistance in meeting both short- and long-term problems. Indonesia remains sensitive, however, to the conditions which are normally a part of large-scale US aid agreements.

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Watch Committee conclusion--Middle East: Situations susceptible of direct exploitation by Sino-Soviet bloc action which would jeopardize US interests exist in the Middle East, particularly in Iraq and Iran. The initiation of significant hostilities is unlikely in this area in the immediate future.

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Approved For Release 2002/10/21 : CIA-RDP79T00975A004600380001-9

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## II. ASIA-AFRICA

Situation in Laos

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[The Laotian Army's demonstrated weakness during the initial phase of the insurgency in northeastern Laos may have further undermined the government's tenuous authority in the affected areas. In some instances, army units panicked and abandoned the local population with little or no resistance. The army's performance will disillusion government sympathizers and revive memories of the Viet Minh invasions of 1953-1954, when the Laotian Government was forced to abandon Sam Neua and was unable to reimpose its authority until November 1957.]

[Poor training and inexperienced leadership limit the Laotian Army's capabilities, and in addition the Communists may have had some success in subverting military personnel, especially the village militia. The Laotian field commander in Sam Neua is reported to have said he could not rely completely on the loyalty of his forces.]

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[The US army attaché in Vientiane reports that 114 men out of a total of about 750 in the recently integrated former Pathet Lao battalion encamped near Luang Prabang escaped on 8 August from the encampment and are heading toward Sam Neua Province. Laotian Army officials are attempting to maintain secrecy over this development, but when it becomes known it will further reduce the army's rapidly dwindling prestige and probably embolden Communist cadres to risk new acts of violence against the regime.]

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[In Thailand, Marshal Sarit reportedly is concerned over the Laotian situation, and reinforcement of border police in the northeast has been authorized. South Vietnam reportedly is planning to send a study mission [ ] to Laos for contingent planning on the defense of southern Laos in the event of an all-out Communist offensive in Laos sponsored by North Vietnam.]

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On 12 August, a Chinese Communist Foreign Ministry spokesman in a strong statement declared that tension in Laos could be

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reduced only by the withdrawal of all American military personnel and arms, the abolishment of all "US military bases," and the return of the International Control Commission. Peiping warned that all activities of the US and Laotian authorities "violating the Geneva agreements, creating tension in Indochina, and further to menace China, will certainly be firmly opposed by the Chinese Government and people." Peiping also denied the competence of the United Nations to deal with the Laotian situation on the grounds that the UN played no part in negotiation of the Geneva agreements.

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Cambodian - South Vietnamese Relations

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(Immediate tensions between Cambodia and South Vietnam have been eased as a result of the discussions in Saigon last week between Premier Sihanouk and President Diem. The three-day informal talks between the two leaders and their top advisers were cordial and produced substantial agreement on a number of issues, such as trade relations and border controls, that have long been a source of friction. Sihanouk, flattered by the attention he and his party received, described the outcome as "clearing the way for an entente.")

(Lasting rapport between Cambodia and South Vietnam, however, seems improbable, given Sihanouk's fatalistic belief in inevitable Communist victory in the East-West struggle--a view which conflicts directly with Diem's aggressively anti-Communist position. [redacted] Sihanouk is reported to have expounded on his belief in Soviet superiority in the missile field, rejecting rebuttals from Vietnamese officials present. Specifically, Sihanouk said that the USSR is superior to the US in ICBMs; he also maintained that the continued existence of American IRBM bases in foreign lands is being questioned.)

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(Sihanouk claimed that Cambodia's neutralist policy is the only "safe" policy for small nations, and referred to the current fighting in Laos as an example of problems which come to governments that adopt too strong an anti-Communist stand. At another time during his visit, he explained that his recognition of Communist China in 1958 merely acknowledged the fact that Chinese Communist agents were already operating in Cambodia; when a Vietnamese official remarked that this gave a legal cover for these activities, Sihanouk replied, "That is destiny... and one cannot oppose destiny." Implicit in Sihanouk's conversations was his belief that Communist China is predestined for ascendancy in the Far East--a belief he apparently has held for some time.)

(Diem feels that this defeatist attitude has facilitated Communist subversion in Cambodia, particularly by Peiping. He is not reassured by Sihanouk's claim that he can successfully oppose Communism with "his own weapons." [redacted])

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